

Code Administrator Consultation Response Proforma**CMP316: TNUoS Arrangements for Co-located Generation Sites**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to cusc.team@nationalgrideso.com by **5pm** on **01 November 2022**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact Jennifer Groome, Jennifer.Groome@nationalgrideso.com or cusc.team@nationalgrideso.com

Respondent details	Please enter your details
Respondent name:	Ryan Ward
Company name:	ScottishPower Renewables
Email address:	Ryan.Ward@ScottishPower.com
Phone number:	07818538595

I wish my response to be:

(Please mark the relevant box)

☒ Non-Confidential☐ Confidential

Note: A confidential response will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

For reference the Applicable CUSC (charging) Objectives are:

- a. *That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;*
- b. *That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);*
- c. *That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;*
- d. *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and*

- e. *Promoting efficiency in the implementation and administration of the system charging methodology.*

***The Electricity Regulation referred to in objective (d) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.*

Please express your views in the right-hand side of the table below, including your rationale.

Standard Code Administrator Consultation questions														
1	Do you believe that the Original Proposal and WACM1 better facilitates the Applicable Objectives?	<p>Mark the Objectives which you believe each solution better facilitates:</p> <table border="1"> <tr> <td>Original</td> <td><input checked="" type="checkbox"/> A</td> <td><input checked="" type="checkbox"/> B</td> <td><input type="checkbox"/> C</td> <td><input type="checkbox"/> D</td> <td><input type="checkbox"/> E</td> </tr> <tr> <td>WACM1</td> <td><input checked="" type="checkbox"/> A</td> <td><input checked="" type="checkbox"/> B</td> <td><input type="checkbox"/> C</td> <td><input type="checkbox"/> D</td> <td><input type="checkbox"/> E</td> </tr> </table> <p>Both the original and WACM1 better facilitate against the status quo.</p> <p>Objectives A & B are better facilitated. Objectives C, D and E are neutral.</p> <p>Objective A – Competition:</p> <ul style="list-style-type: none"> By applying the current TNUoS methodology, a co-located site's TNUoS charge is based on the predominant technology, which is not cost reflective for co-located assets. Competition between generators is better enabled by removing any potential distortions for co-located sites as the methodology for the original and WACM1 account for each co-located assets fuel, technology type and network usage. <p>Objective B – Cost reflectivity:</p> <ul style="list-style-type: none"> The solutions offer a more cost reflective TNUoS methodology for co-located sites, by applying the TNUoS principles per co-located asset, rather than the predominant technology type. Each enabling users to react to a more accurate price signal. <p>Objective C, D and E:</p> <ul style="list-style-type: none"> Neutral 	Original	<input checked="" type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D	<input type="checkbox"/> E	WACM1	<input checked="" type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D	<input type="checkbox"/> E
Original	<input checked="" type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D	<input type="checkbox"/> E									
WACM1	<input checked="" type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D	<input type="checkbox"/> E									
2	Do you support the proposed	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No												

	implementation approach?	SPR noted the proposed original implementation date would be challenging and support the revised date of 1 st of April 2024 as it was more realistic.
3	Do you have any other comments?	<p>SPR acknowledges the forecast increase of co-located projects, this was demonstrated to the workgroup via data from the from the latest TEC register. It is sensible to refine the methodology to be more cost-reflective for current and future co-located sites.</p> <p>The current TNUoS charging methodology is based on the predominant technology type for co-located assets. As a result, the TNUoS charge for assets co-located behind a connection will be based on the calculation for conventional carbon generation, low carbon generation or intermittent regardless of their individual characteristics. Clear guidance is required from NG ESO if there is any variation to the 'status quo', this will better ensure for a smooth transition.</p> <p>SPR recognise the additional complexity with WACM1, as this goes further than the original proposal for cost reflectivity in two areas of the calculation. Firstly, by considering the multi-technology power station TEC within the annual loss factor, rather than the connection TEC. Secondly, within the peak element of the wider TNUoS charge, low and conventional carbon generation are more accurately reflected for peak times. It could be argued the added complexity is outweighed by providing a more cost reflective charge.</p>